



AGENDA

LINDSTROM CITY COUNCIL WORK SESSION

WEDNESDAY, March 22, 2023
5:00 P.M.
Lindstrom City Hall
13292 Sylvan Ave., Lindstrom, MN

CALL TO ORDER/PLEDGE:

GENERAL BUSINESS ITEMS:

1. Discussion of Council vision and direction (pgs. 1-5)
 - a. Existing Guidance
 - b. Partnerships/Funding Opportunities
2. Background on current projects (pgs. 5-8)
 - a. Lakeview Motel Bond Proceeds
 - b. O'Jay Juice Building Redevelopment
 - c. Park Street Parking Lot
 - d. 2024 Street Improvements
 - e. Police Hall Bonding Bill and Bonding for City Participation
 - f. Downtown Maintenance
 - g. Renaming of Beach Park
3. Council discussion and feedback on current projects and community vision (verbal)
4. City Council initiated future discussion items (verbal)
 - a. Creation of a Business Industrial Park Development Taskforce
5. Discussion of nomination to East Central Regional Development Commission (pgs. 9-10)

ADJOURNMENT:

STAFF REPORT

MEETING DATE: March 22, 2023

SUBMITTED BY: Interim City Administrator, City Planner, City Engineer, City Economic Development Consultant

The focus of this City Council Work Session is to provide an overview of the City and projects that are currently underway, to discuss the City Council's vision for community development, and to identify City Council direction and goals. These topics are most appropriate for a work session as regular City Council meetings are filled with the City's regular business. It is anticipated that the direction and identified goals from this work session may be brought back to a future work session for refinement and prioritization.

The topics identified for this work session are important as the City Council sets policy and the Staff is charged with implementing it. This conversation will ensure that Staff is able to communicate and implement the City Council's current direction, particularly if it is different from prior City Councils. As the Council can only act as a group, and cannot provide individual direction to Staff, this work session is important on clarifying the consensus direction of the City Council. To assist in the discussion, Staff has put together an overview of the City and its current plans and policies, as well as the status of individual projects.

Overview of City and its Existing Plan & Policy Guidance

According to its 2021 audit, the City of Lindstrom continues to have a healthy financial position. The City's assets (land, building machinery, infrastructure, and equipment) exceeded its liabilities by more than \$27 million. While the 2022 audit is not yet complete, it is anticipated that the 2022 General Fund will reflect a stable fund balance where the expenses and revenue are close to what was budgeted. The City continues to set aside funds in capital equipment projects for the replacement of vehicles, equipment, and repair of buildings.

Relative to its debt, Lindstrom has not exceeded the general rule that cities should not incur "net debt" in excess of 3% of the estimated market value of all taxable property in the city. According to the 2021 audit, the debt limit for the City was about \$14.5 million. The City only had debt of just over \$6.5 million. Additional information about debt and borrowing are available in the March 14 2023 Financial Information document at [March 2023 Work Session Supplemental Information](#).

The City Council and City Staff use the City's adopted plans and policies, City Code, City Council decisions/directions, and past practices as guidance to shape implementation projects and respond to formal property owner requests. City Staff also uses this direction to respond to development inquiries. The core planning and policy documents that provide direction include the Comprehensive Plan, Downtown Design Study, City Code, Public Works Design Manual, Local Improvement Policy, and the Capital Improvement Plan (CIP). While more information will be presented at the February work session, the following are some highlights that may be helpful for this discussion. Many of the documents highlighted below are available at [March 2023 Work Session Supplemental Information](#).

- Comprehensive Plan – The City's Comprehensive Plan was adopted in 2017. The Comprehensive Plan establishes the vision for the community and identifies how the City wants to achieve that vision. The Comprehensive Plan states that Lindstrom is seeking to be a great place to live, shop, work, recreate and visit. The Comprehensive plan also identifies the following values and policies:

Values

- Fiscally conservative
- People over things
- Partnerships over go it alone
- Whatever we do, we do excellently
- Public input and participation are valuable
- Plan, think ahead
- Protect our environment, conserve our natural resources

Policies

- Lindstrom is safe, where people feel secure
- Lindstrom is financially healthy where tax payers receive good value
- Lindstrom is livable where residents feel at home
- Lindstrom is well managed where assets and infrastructure are excellent
- Lindstrom is environmentally sensitive where the City and the community are encouraged to conserve
- Lindstrom listens and communicates where tax payers feel connected and informed
- Lindstrom's downtown is robust and dynamic where businesses and people want to be
- Lindstrom is adaptable yet resilient where there is appropriate change balanced with an appreciation for tradition

The Comprehensive Plan provides direction on land use, transportation, utilities, parks, and trails. As a desirable region and community, Lindstrom's Comprehensive Plan recognizes that growth will continue to occur and that the City benefits from proactively planning rather than being reactive to development proposals. In developing the future land use and systems plans (transportation, utilities, parks, and trails) in the Comprehensive Plan, the following are the types of factors which were considered:

- Location of existing transportation and utility investments - It is more efficient and effective for the City to develop or redevelop in areas where infrastructure already exists than in new areas. For example, the City has already invested in water and sewer trunk lines in the vicinity of 316th Street. Currently this infrastructure is being used at less than half of its capacity. In contrast, development on the south side of Lindstrom will involve the extension of trunk lines and additional infrastructure improvements. While the potential for development exists on both the north and south sides of the community, development on the north side will assist the City in recapturing funds already expended for infrastructure. For similar reasons, the Comprehensive Plan supports redevelopment in the core areas of the community where investments have already been made. Investments in the core areas of Lindstrom also help to more directly support businesses in downtown and along Highway 8.
- Intensity of development – The Comprehensive Plan proposes a range of residential densities rather than just detached single family residential. Having a range of development densities helps fund infrastructure investments and can reduce the costs for individual property owners. For example, spreading the same cost amongst 10 housing units or 100 housing units decreases the individual housing unit cost. Beyond trunk infrastructure, it should also be noted that individual development road and utility costs are more expensive per housing unit in lower density developments.

- Development trends continue to evolve - While there will always be a market for detached single-family homes, communities are seeing an increase in interest for other types of housing, including detached twinhomes, townhouses, attached townhouses, rowhouses, and apartments. By providing a mix of housing options the community is able to provide housing choices for individuals during all stages of their life. The Comprehensive Plan sought to identify areas where a mix of residential types could be located.

The Comprehensive Plan also includes a set of implementation actions and metrics (pages 60 to 68). The implementation actions are divided into on-going, short-term, and long-term. In considering future goals, the City Council may find it beneficial to review those actions. The metrics are measures that the City could evaluate on a regular basis to understand the effects of Comprehensive Plan implementation.

- Downtown Design Study – The Downtown Design Study was completed in May of 2022 to guide future public and private investment in downtown. In addition to identifying potential areas for public or private redevelopment, the Downtown Design Study included strategies for streetscape enhancements, activation, establishing trails to the lakes, bike and pedestrian trails, and wayfinding. The Downtown Design Study also established a 2022 baseline from which future redevelopment projects can be evaluated to demonstrate how the project reduces impervious surfaces and/or uses stormwater management techniques to address stormwater rate, quality and volume. The Downtown Design Study includes near-, mid-, and long-term implementation recommendations.
- City Code – The zoning and subdivision regulations underwent a comprehensive update that was adopted in early 2022. The update was guided by the direction established in the Comprehensive Plan, as well as discussions by the Planning Commission and City Council. The City Code also contains limitations on subdivision in areas close to the City boundary so as to protect the ability of the City to efficiently extend infrastructure in the future. The City Code is available at this [website](#).
 - Extraterritorial review – In 2020 the City adopted subdivision regulations that extends its subdivision authority in accordance with Minn. Stat. Section 462.358. In extending its authority, the City is protecting its future ability to efficiently grow. The extraterritorial extent was divided into two areas: one which is close to the current city boundary where new lots are not allowed to be larger than 12,000 square feet, and one which is farther from the current city boundary where lot sizes are required to have a minimum lot size of 10 acres and a ratio of lot frontage to lot depth of no more than 1 to 4.
- Public Works Design Manual – The Public Work Design Manual, in use since 2020, is a document that guides the parameters by which public infrastructure (streets, sanitary collection system, water distribution system and storm sewer systems) are constructed. The manual also includes a collection of the City’s standard details. The manual is intended to be a fluid document that is amended from time to time to account for new technologies, changing industry standards and to reflect knowledge gained through experience.
- Local Improvement Policy – The Local Improvements Policy guides the classification of public improvement projects and the City’s approach to financing these improvements. It is unknown when this policy was originally adopted but Staff has used the policy as a guide for several decades. Improvement

classifications are based on the degree that the improvement benefits the City at large or a select subset of the community. For example, a Class A improvement, such as public buildings, regional recreation facilities, or street lighting systems, which provides benefit to the entire City, are financed through general City funds. Conversely, improvements to local streets and utilities are considered Class C improvements and a portion of the costs may be assessed to the benefitting property owners. It is important to note that the City's Local Improvement Policy is administered in conjunction with the [MN Statute Chapter 429 "Local Improvements, Special Assessments"](#)

- Capital Improvement Plan (CIP) – The City's CIP identifies individual capital projects and equipment purchases for the upcoming 5 years. The CIP includes financing information and schedules for completion. The CIP is reviewed and updated annually to reflect changing community needs, priorities, and funding availability. In addition to ensuring the City's finances are used effectively and efficiently, the CIP meets statutory requirements for the collection of park dedication fees as part of development projects.
- Municipal State Aid Street (MSAS) - The Municipal State Aid Street program provides funding to assist municipalities with the construction and maintenance of local streets. The program goals are to provide users with safe streets, adequate mobility and structural capacity, and an integrated transportation network. For a city to be included in the MSAS system, it must have a population of at least 5,000. The City expects to exceed that threshold in 2023. Based on preliminary projections, the City can expect to receive approximately \$175,000 annually in MSAS funds.

The City's planning documents, regulations, and past practices also inform the partnerships and funding opportunities that City Staff explore and pursue. In an effort to spur additional public and private investment to meet community needs, City Staff has been proactive in seeking local, regional, and national opportunities to support infrastructure, utilities, parks, redevelopment, and economic and housing development. Some recent examples include funding from the Initiative Foundation to complete the Downtown Design Study and grants from MnDOT/DNR for trail construction. At this time there are a number of partnerships/funding opportunities that are currently submitted or underway. As returning grants and/or not meeting current funding obligations have implications for success for future requests, Staff seeks direction on each of the projects underway. Staff also would like to understand what types of future partnerships or funding Staff should continue to explore.

Overview to Current Projects

City Staff has identified a number of projects currently underway for which City Council direction would be helpful. A brief overview for each project is provided below. Where available, additional background information is provided at [March 2023 Work Session Supplemental Information](#). City Staff will provide additional information and key questions at the meeting to facilitate City Council discussion.

Lakeview Motel Bond Proceeds

The City bonded to purchase the Lakeview Motel. Action is required to be taken by August of 2023 and Staff is unable to negotiate a purchase of this property. The City must therefore redirect this money to other redevelopment projects or return the money. The EDA and City Council have discussed redirecting this money to the O'Jay Juice Building Redevelopment project and the Park Street Utility undergrounding and parking lot improvement project, both of which are described in more detail below.

O'Jay Juice Building Redevelopment

Last year, the City, in partnership with the Chisago County HRA/EDA, applied for and received a \$200,000 DEED Redevelopment and Demolition Grant to purchase and demolish the OJ Juice Building. Redevelopment

is being sought for the site because the building has been empty for over 10 years. While the property has been available for sale or lease, the property owner has not been able to find a user and the site is deteriorating. The site is challenging to reuse as the current structures were designed for industrial purposes, however, the site is zoned for commercial. The intent in applying for the grant was for the property to be purchased and the building demolished. The property would then be able to be sold and/or the City could undertake the development of affordable apartments. With the grant awarded, Staff has begun the process of securing site control, completing an appraisal, and drafting the purchase agreement. The EDA directed an offer to be negotiated and is awaiting owner's response.

Park Street Parking Lot

Staff has prepared long-term design concepts for the parking lot that align with the Downtown Design Study recommendations of enhancing circulation, lighting, pedestrian seating, wayfinding, landscaping, event accommodations, and utility undergrounding. The enhancements are intended to be implemented over time as the City can secure grants and other funding sources.

Staff has developed a preliminary design for the first phase of development including extending storm sewer from 1st Avenue into the gravel portion of the parking lot, relocating the 1st Avenue entrance east toward the bakery, removing/replacing/extending the sidewalk along the north face of the adjacent building, extending buried roof drain leaders to reduce surface discharge, adding bump-outs and making accommodations to bury existing overhead utilities and remove existing utility poles (5).

The total project costs for the phase one improvements are \$635,000 including construction costs, property acquisition, contingencies (20%) and design overhead. The current funding sources for the project include Xcel Settlement monies (\$270,000), ARPA proceeds (\$117,000) and unallocated proceeds from the bond issue for the purchase of the Lakeview Motel (\$500,000).

At this stage, Staff would like to engage the adjacent business to solicit feedback and buy in for the phase one improvements. Specifically, the bakery (property acquisition/exchange will be necessary to implement the proposed improvements) and the salon (buy in will be necessary to modify accessible parking) are major stakeholders and likely require individual meetings.

2024 Street Improvements

The City's Capital Improvement Plan identifies two (2) street and utility improvement projects scheduled for construction in 2024:

- 24-01: Maple Street (Hwy 8 to north end) & 3rd Ave (Maple Street to North Lakes Trail)
- 24-02: North Olinda Trail (Hwy 8 to 3rd Ave)

The scope of each project includes the full replacement of sanitary sewer mainline, services and manholes; watermain, services, hydrants and valving; replacement and expansion of the storm sewer system; concrete sidewalks; concrete curbing; bituminous paving; concrete driveway aprons and boulevard restoration. The total anticipated costs, including construction costs, contingencies (20%), inflation (6%), overhead (20%) and property acquisition, for projects 24-01 & 24-02 are \$2,322,000 and \$1,589,000, respectively.

Each project presents unique challenges. As evident by the recent letter from Maple Street residents, there appears to be a strong preference to maintain the attributes of the existing corridor including sidewalks on both sides of the street and the existing pavement width (32 feet). Achieving these goals while replacing the existing infrastructure is likely not attainable given the limited existing right-of-way and City's allocated budget for the projects. On North Olinda Trail, the major issue is the lack of public right-of-way. A significant portion of the existing street and buried utilities are constructed on private property. The City will incur substantial costs to

acquire the necessary right-of-way and the align the street in a manner so not to adversely impact the existing private improvements throughout the corridor.

The estimated total project costs provided above attempt to reflect the costs associated with accommodating the preferences of the neighborhood and securing sufficient permanent easements to complete the work. It is becoming apparent that the City's budget cannot not support both projects. Staff has started to evaluate the condition of the existing utilities and was scheduled to begin survey work this winter/spring. We would like to solicit Council feedback on these proposed projects to ensure alignment with the pleasure of the Council.

Police Hall Bonding Bill and Bonding for City Participation

The City of Lindstrom and Chisago City have requested \$3.3 million in state funding to support the construction of a new \$9 million Lakes Area Police Department Law Enforcement Center. A new facility is needed to address space needs due to a growing service area; security issues with sharing a building with the City of Lindstrom administration; and to allow for hosting of joint training with area police departments. Lakes Area Police Department is nationally recognized for its innovative joint powers agreement and its full-time service to two small communities. Currently Lakes Area Police uses portions of multiple facilities across the two communities. The main offices are housed in a 2003 addition to Lindstrom City Hall and the Community Center, while evidence storage is off-site in Chisago City Hall, indoor storage for vehicles and equipment is at the Lindstrom Public Works Facility, and the impound lot is in the Chisago Public Works Facility. If state bonding is approved, the City will need to bond to contribute its half of the remaining costs for the new facility.

Downtown Maintenance

Downtown businesses have requested benches provided by the city, additional trash cans, high visibility flags at uncontrolled intersections, better maintenance of the downtown planter beds and sidewalks.

Benches in the downtown have been requested by downtown businesses. The cost roughly \$2,300 per bench, this includes shipping and concrete pad (if needed). There currently is \$1,500 in the 2023 Budget for benches.

Currently there are 5 decorative garbage cans downtown: Liquor Store, State Farm, Deutschland, Lindstrom Hardware, and Stein Insurance. The total cost to add new garbage cans is roughly \$1,285 per unit. This includes Public Works staff time per additional unit for 26 weeks to change 1 time weekly and 26 weeks to change 2 times weekly at \$30 per hour for 15 minutes. Staff Wage is \$585 per additional unit. Cost per new unit is \$700. Total Cost per new unit \$1,285. The 2023 Budget does not include funding for any additional units. This could be added in 2024 budget if Council chooses.

Intersection/Crosswalk Flags- The cost is minimal; however, we do not have this in our 2023 budget. Chisago City paid \$133 for 16 flags. They can **only** be used at legal crosswalks. The Road Authority (MN DOT) has to approve. The City does not have the authority to install signage in their R.O.W. Public Works Directly Fraley has a call into the MN DOT and is waiting to hear back.

In the past we have hired a seasonal person to focus on the downtown. We typically hire college students for the summer. 2022 was a difficult year to get seasonal help. Due to not being able to find another downtown seasonal person, Rise Employment was hired to weed planter beds last year. This year, the Public Works Seasonal Staff will take turns weeding the downtown each week.

Renaming of Beach Park

Student Park Commission Member Eleanor Udem requested the Park Commission consider renaming or choosing an honorific name for Lindstrom Beach "To recognize the cultural heritage of the site". She was in contact with Michael Price, the Ojibway linguist, who recommended neyaawangaa (Nay – yah – wun – gah) or

Sandy Point. The Park Commission recommended the City Council consider, at their work session the following;

- Rename the beach Neyaawangah
- Leave the name Lindstrom Beach
- Rename the Beach Sandy Point Park with Neyaawangah under the translation
- Rename the Beach Neyaawangah with Sandy Point Park under as translation

STAFF REPORT

MEETING DATE: March 22, 2023

SUBMITTED BY: Interim City Administrator

ITEM: East Central Regional Development Commission

East Central Regional Development Commission meets every other month in Mora. They start in February and go through April, June, August, October, and December. They focus on regional economic development. Former Mayor Kevin Stenson was the representative for Chisago County.

ECRDC Board Meeting Dates

Meeting Dates	Time	Location
December 29, 2022	7:00 p.m.	ECRDC, 100 Park St. S., Mora
February 24, 2023	7:00 p.m.	ECRDC, 100 Park St. S., Mora
April 24, 2024	7:00 p.m.	ECRDC, 100 Park St. S., Mora
June 26, 2023	5:30 p.m.	Annual Meeting – TBD
August 28, 2023	7:00 p.m.	ECRDC, 100 Park St. S., Mora
October 23, 2023	7:00 p.m.	ECRDC, 100 Park St. S., Mora

ECRDC
100 Park St. S., Mora, MN 55051

<https://ecrdc.org/about-us/>



EAST CENTRAL
 Regional Development Commission
 ECRDC.org • (320) 679-4065
 100 Park St S, Mora, MN 55051

SECOND NOTICE



To: Mayors and Council Members of the Cities of Chisago County

From: Trish Rydlund, Information Manager

Date: February 27, 2023

Re: Your Representative on the East Central Regional Development Commission’s Board (ECRDC)

The term of office of Kevin Stenson, your Municipalities Representative for Chisago County on the ECRDC has expired. According to the ECRDC By-Laws, the process for selection is as follows:

Nominations: Each mayor and council member have an opportunity to nominate a mayor or council member to represent the cities in Chisago County. This position’s term of office runs concurrent with the elected official’s term of office with the city.

Selection: A ballot is then sent to the mayor of each city, who will then select from the nominees the Municipalities Representative for Chisago County.

Please complete the Nomination Form and return it in the enclosed addressed envelope or via email to ecrdc@ecrdc.org. The deadline is March 28, 2023.

**NOMINATION FORM
 CHISAGO COUNTY MUNICIPALITIES**

I nominate the following person to serve on the Board of the East Central Regional Development Commission.

Name: _____

Address: _____

Phone: _____ Cell Phone: _____

Email: _____

Elected City Position: _____

Submitted by: _____

City of _____

PLEASE SUBMIT BY MARCH 28, 2023